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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR PAPUA NEW GUINEA

Programme period	Resources	$
1993-1996	Net IPF	7 220 000
	Estimated cost-sharing	18 619 000
	Total	25 839 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Papua New Guinea's economy has commenced a steep upward rise owing to a massive surge in the mining sector. After periods of slow and negative growth, the upturn represents a vital opportunity to establish a stable growth pattern. It also presents a difficult challenge for the Government to implement measures towards diversification of the economy and to distribute the benefits of growth.

2. Papua New Guinea has a population of 3.8 million and a population growth rate of 2.3 per cent. It is a lower middle-income country with a per capita GNP of $860. The country is rich in natural resources. Besides the country's petroleum, gold and copper possessions, much of its land is fertile and supports tree crops and other cash crops as well as the subsistence farming, which is the mainstay of over 80 per cent of the population. About three quarters of the country's land area is forested, although much of this is inaccessible at present. The small population dispersed over difficult terrain contributes to a high-cost economic structure.

3. Social indicators show a low quality of life for many in the rural areas and for the unemployed of the towns. UNDP's Human Development Index of 160 countries places Papua New Guinea at 116. Life expectancy is 55 years; infant mortality is 56 per 1,000 live births; the adult literacy rate is 52 per cent and, despite relatively high public expenditure on education, the completion rate of primary school is 59 per cent. Law and order is a serious socio-economic problem, particularly in urban areas.

4. The economic structure is highly dualistic. Ninety per cent of the work force is engaged principally in the subsistence sector and only 10 per cent is employed in the formal wage sector. The workforce is expanding at the rate of about 50,000 per year; however, only a small proportion of its new members can expect to find wage employment. Public-sector employment is expected to decline, while the development of mineral resources will generate peak employment levels in the short to medium term during the construction phase before declining to steady but lower levels during the production phase. In the major growth areas of exploitation of mining and forest resources, many of the skills required are of a highly technical nature, which it will be difficult for Papua New Guineans to provide in full in the short to medium term. Agriculture provides the best prospects for large-scale employment creation.

5. The participation of women in development requires special attention. Women, who have traditionally tended gardens and continue to do so, account for only 4 per cent of wage employment. Female literacy and school enrolment rates lag significantly behind those for males. For most women, the positive features of development, such as the potential it provides for cash-cropping and access to education for their children, have added to their traditional work roles. Although women are active in the informal sector, particularly in selling produce, their access to credit is more restricted than that for men.

Fundamental problems of status are reflected in high levels of domestic violence and sexual assault.

6. Significant economic events over the past five-year period have placed heavy demands on economic management. The steady but moderate growth of the mid-1980s was followed in 1989 and 1990 by negative growth rates of -1.4 per cent and -3.7 per cent, respectively. This downturn was due to a sharp fall in the terms of trade, exacerbated by the closure of the Bougainville copper mine, which alone contributed about 35 per cent of the country's export revenue. The economy has bounced back with a 9 per cent growth rate in 1991 as new petroleum and mining ventures have come on stream. Over the next two years, further growth averaged at 8.1 per cent is projected. Management of these momentous changes has been demanding of the Government's resources, particularly at the macroeconomic and planning levels.

7. The next challenge, however, is of a different dimension. The Government is now required to harness the revenues from the resources sector and to direct them urgently towards resolution of the fundamental development problems referred to above. This calls for intensive and sustained action to achieve economic diversification leading to employment opportunities; and to achieve a more even distribution of development benefits among the population generally and particularly for women. The young age structure of the population (an estimated 43 per cent of the inhabitants are under the age of 15) means that for the foreseeable future there will be increasing demands on health, education and other services which have not been adequate for the lower level of demand in the past. This implies a crucial role for technical assistance in the development of policies and regulatory mechanisms and in the institutional strengthening of the management of resources and the provision of services.

B. National development objectives and strategies

8. Long-standing aims and development principles affirmed by successive Governments since independence in 1975 are supported by a medium-term strategy to facilitate expanded employment opportunities. The strategy calls for an increase in investment in health, education and agriculture extension; the provision of physical infrastructure to rural areas; the establishment of incentives for private-sector development and the improvement of law-and-order services. These strategies for the medium term 1992-1996 are expected to establish the climate and framework for the creation of productive work opportunities.

9. Employment will not be created until the structural adjustment programme (SAP) which commenced in 1991 has been fully completed. The SAP package agreed upon with the World Bank involves the use of monetary and fiscal policies together with administrative reform to enhance the regulatory framework for investment and institutional strengthening to improve the capacity for implementation. An effort will be made to remove major structural weaknesses affecting international trade. The main sectoral priority will be competitiveness in agriculture. Opportunities for viable

economic activity will be enhanced by investment in the infrastructure of basic transport, roads and coastal shipping. An important aim of institutional strengthening is to improve the effectiveness of environmental legislation and regulatory mechanisms in the areas of mining and oil, forestry and waste disposal.

10. In the social sector, investment in education is recognized as being essential for economic growth. The recommendations of an education sector review funded by UNDP and completed in 1991 have been accepted, and assistance is now required to formulate specific projects needed in order to implement the required strategy. In the field of health, the necessary expenditure for primary health care (PHC) and that for hospital improvement will be examined in order to ensure that the latter is not detrimental to the former.

II. EXTERNAL COOPERATION

A. Role of external cooperation

11. In setting its policy agenda, the Government acknowledged the importance of international cooperation. At independence in 1975, almost half the country's budget was financed by foreign aid. In 1992, foreign aid will cover less than 20 per cent of budgetary expenses. During the period under consideration, however, the quality of certain services has declined, while some parts of the country still have no access to basic services at all. In order to achieve a satisfactory level of participatory development, foreign aid must be regarded as an essential complement to domestic revenue, even over the present and projected period of high growth.

12. Over the period 1985-1990 official development assistance (ODA) averaged $415 million a year. In the past two years, it rose to around $460 million as the result of the structural adjustment programme and rising levels of aid from Japan, the European Community and the Asian Development Bank. Since independence, Australia has been the major donor to Papua New Guinea, and although Australian aid has been declining against the total aid received, it still accounts for about half of all aid to Papua New Guinea. About 90 per cent of the Australian grant has been in the form of a budget support grant. Budget support is scheduled to decrease as programme and project aid is built up. Because of the distortion created by the size of the Australian budgetary support grant, the technical cooperation component of aid has been viewed as low and now stands at around 10 per cent. This percentage can, however, be expected to rise in response to Government priorities for technical cooperation for the development of policies and strategies, institutional strengthening and general administrative reform.

13. Multilateral aid grew to 30 per cent of all aid received in 1991, and that percentage should rise as draw-downs are made on AsDB loans. Disbursements made by the United Nations, its agencies and programmes were over $10 million in 1991, of which UNDP disbursed $5.8 million, including cost-sharing. China, Indonesia and the Republic of Korea maintain TCDC programmes with Papua New Guinea.

B. Aid coordination arrangements

14. Donor coordination at a formal level commenced in 1988 with the establishment of a Consultative Group. The Group, which has been meeting annually, has provided a forum for review of economic development and prospects and for a framework in which the Government presents its indicative investment programme to the donor community. The mechanisms for managing aid, particularly as regards the predictability of counterpart funding and to the management of technical assistance, will continue to be important objects of the Group's considerations. Technical cooperation management continues to be beset by certain shortcomings and the focal-point mechanism of the Office of International Development Assistance (OIDA) is being strengthened in its decision-making capacity. Further attention is to be given to a policy framework for cooperation between the Government and its donors; to policies and procedures for the recruitment of technical cooperation personnel; to the expanded use of a technical cooperation fund for project preparation and to other aspects of the Government's proposals for technical cooperation management.

15. The Government values the central and coordinating roles of the multilateral agencies. Donor coordination is decided at meetings of the Consultative Group, which are chaired by the World Bank, on the basis of the documentation prepared for them. In Papua New Guinea UNDP serves as a lead agency in matters relating to the coordination of technical cooperation. It also provides support for the coordination of certain activities in which several donors participate, as illustrated by the role played by the World Bank and UNDP in the National Forestry and Conservation Action Plan. This coordinating function is likely to increase in importance during the fifth country programme as the proposed Employment Strategy and Human Resource Development Mission generates a number of strategies requiring coordination among donors. UNDP is also very much involved, at the policy and regulatory levels, in the work of the central coordinating units of government such as OIDA and the Department of Finance and Planning. Finally, UNDP has the ongoing task of coordinating programmes involving other United Nations bodies.

III. THE COUNTRY PROGRAMME

A. Assessment of the ongoing country programme

16. The fourth country programme was approved by the Governing Council in April 1986 and assigned an IPF of $11,650,000. Carry-over funds from the third programme increased this figure by $1.1 million. Those IPF resources were supplemented by an additional $7.3 million from government and third-party cost-sharing and $6 million representing Government/World Bank loan funds received through the Management Services Agreement modality. The programme focused on three priority sectors: agriculture, forestry and fisheries; general development policy and planning (including manpower development and training, strengthening of financial management and preparation for pre-investment studies); and industry.

17. A joint UNDP/government mid-term review was undertaken in February 1990. It contained an expression of the Government's appreciation of the flexibility of the UNDP programme in responding to major economic changes, the severe economic downturn during the period having incurred major shifts in government priorities, which, in turn, resulted in a shift in emphasis within the period of the fourth country programme. For example, at the outset of the period, the agriculture sector had been expected to absorb about 40 per cent of the IPF. In response to the Government's changed needs and the implementation of structural adjustment measures, the thrust of the programme shifted to public-sector reform, capacity-building and management.

18. The Government has also expressed its appreciation of the coordinating and catalytic roles played by UNDP in certain emerging areas of activity. The placement of UNDP technical cooperation personnel in critical areas has been vital to the success of the structural adjustment reforms. The Government's recognition of the importance of this role is demonstrated by its meeting the full cost of UNDP involvement in the Special Interventions Programme designed to mitigate some of the adverse effects of structural adjustment. UNDP has also made a substantial contribution to the programmes for forestry and the environment. Its value as a coordinator is indicated by the use of cost-sharing and the management service modality to fund over half of the programmes. Evaluations have concluded that the UNDP comparative advantage has been effectively used in selective technical cooperation exercises in critical areas involving the development of policy, regulatory mechanisms and the building of capacity.

19. The mid-term review also identified the following three shortcomings which should be remedied in a continuing programme: over-concentration in the capital city; projects so broad in scope that they were difficult to supervise; and insufficient counterpart personnel to ensure the continuation of project activities. The first of these problems can be remedied by a certain amount of decentralization in line with UNDP's emphasis on participatory development, while the latter two call for improved project design and the application of the programme approach whenever possible.

B. Proposals for UNDP cooperation

1. The preparatory process

20. In the discussions on the country programme held between the Government and UNDP, account was taken of the Government's comprehensive and rigorous review of national priorities and strategies. The work done by the Consultative Group and the ongoing contacts maintained among donors have greatly reinforced the coordinating and catalytic role played by UNDP in a number of areas. Preparations have also been assisted by a series of sectoral missions and workshops.

21. An important aspect of the preparations has been the dialogue on technical cooperation policy and the role played by such cooperation within the context of a joint review undertaken by the Government, the World Bank and

UNDP with a view to effecting improvements in policy, technical skills and institutional capacity. This work has significantly influenced the shape of the fifth country programme.

22. The final version of the programme resulted from a series of meetings between UNDP officials at Port Moresby with members of OIDA and the Department of Finance and Planning. It therefore reflects, in relation to both coverage and priorities, a firm consensus of the key parties who will be involved in its implementation over the period of the cycle.

23. At the request of the Government, an extension of the fourth country programme to the end of 1992 has been approved by the Governing Council. The period of the fifth country programme is, therefore, 1993-1996.

2. Strategy for UNDP cooperation

24. The principal themes of the fifth country programme reflect the Government's top priorities while at the same time responding to those set by the UNDP Governing Council in its decision 90/34. They also reflect the roles which the Government feels should devolve on UNDP in those areas. They are to be managed on a continuous, rolling basis to allow for changing circumstances. The Structural Adjustment Programme is the Government's first priority at this time as it continues to address long-standing structural impediments. It is projected to meet its objectives progressively during the course of the cycle. Management on a rolling basis will allow for changes in objectives to take account of achievements and for redeployment of resources to the next phase. The building of capacity is essential in order to reach the goals of the public investment programme, under which conditions will be created for employment growth and participatory development. This task will be undertaken by placing advisers in key institutions, instituting training activities and emphasizing national execution.

25. The programmes to be undertaken take account of the comparative advantage offered by UNDP's neutral position in sensitive areas where it supports policy changes and reforms in economic and public-sector management. This comparative advantage is also enjoyed in respect of technical cooperation which focuses on the coordination and management of national programmes. A significant activity under the fifth programme will be the promotion of multi-donor support within a programme framework. For example, the Employment Generation and Human Resource Development Strategy will be the basis for the involvement of other donors. A similar approach will be taken in respect of follow-up to the United Nations Conference on Environment and Development. UNDP will continue to act as lead agency role where Women in Development (WID) and non-governmental organizations are concerned.

26. The Government also attaches much value to UNDP's access to the specialized agencies and to the expertise available within the United Nations system. Funds available under the programme will not be adequate for all activities and, as in the past, the Government will actively seek cost-sharing

and other co-financing arrangements and will continue to provide cost-sharing resources, particularly in the field of public-sector management.

27. During the fifth programme cycle, Papua New Guinea will participate more actively in the Pacific subregional programme and the Asia-Pacific regional programme, especially in the areas not covered by the country programme, including water supply and sanitation, small- and medium-scale enterprises, fisheries and transport and telecommunications. In some of these areas, Papua New Guinea will provide experience and expertise to other island countries through TCDC.

3. Areas of concentration selected for UNDP cooperation

28. The fifth programme will concentrate on the following areas:

(a) Structural adjustment, employment generation and participatory development;

(b) Environmental and natural resource management.

29. The Government requests continuation of several ongoing projects into the new programme, notably a cluster of activities aimed at the strengthening of public-sector management. Continuation of these and other projects is justified by the need to build on and consolidate capacity-building initiatives related to structural adjustment and the environment. It is expected that this will contribute to a more effective public investment programme, without which the country's major development needs cannot be met.

Structural adjustment, employment generation and participatory development

30. Although employment generation has been a stated priority for some time, there was actually a decline in formal sector employment during the period 1988-1991 with an absolute loss of approximately 7,000 jobs. With about 50,000 people entering the potential workforce annually, the Government regards employment generation as its most important development objective. The non-mining private sector, which in fact corresponds to agriculture, is regarded as the only sector with any real potential for employment growth. This sector could provide some six to eight thousand jobs annually but only if the Structural Adjustment Programme is fully completed. Although this number of jobs falls far short of the need, it is the most significant prospect; and unless those jobs become available, the outlook for broader participation in development is grim.

31. Public sector management. Government priorities for technical cooperation include extensive intervention in public-sector management, including support for policy and strategy development; establishment of regulatory mechanisms for the implementation of the public investment programme; formulation of departmental plans and strategies and institutional strengthening and administrative reform at national and provincial levels. Much of this reform is central to the Structural Adjustment Programme, which

has broadened the scope of public sector reform and will continue to be carried out through a number of related technical cooperation projects in which many donors, including UNDP, are involved. At the policy and strategy level, UNDP technical cooperation personnel are placed in key areas such as finance and planning and trade and industry. Over the past few years, public investment has fallen short of government estimates by around 20 per cent, and funds for new investment have been diverted to recurrent expenditures. UNDP is providing support for the national objective of growth in public investment. Departmental plans and strategies are supported through, for example, the Personnel Management Improvement Project (PERMIT) funded by the Management Development Programme. Various aspects of capacity-building are undertaken through the project on strengthening national and provincial management (SNAPEM). Under this project, improvements have been effected in such areas as policy formulation, redirection of expenditure away from consumption to investment and training and skill development. Major constraints remain, however, in the area of policy implementation and in the administrative relationship between national and provincial governments. UNDP assistance has been requested for the Structural Adjustment Programme Technical Assistance Project, (SAPTA), which aims at effecting improvements in macroeconomic management, public-resource management at the national and provincial levels and measures for the promotion of the private sector. In a proposed cost-sharing arrangement with the Asian Development Bank, further goals, such as improvements in provincial planning, project preparation and implementation, will be sought in selected provinces. The provinces are to receive an increasing level of attention as the cycle progresses.

32. Continued UNDP support is requested for the Special Interventions Programme (SIP), designed to alleviate the negative effects of structural adjustment. Because of UNDP's impartiality, the Government deems that UNDP support is appropriate for technical cooperation management.

33. In recognition of the need for improved mobilization and implementation of technical cooperation resources, the Government is establishing a Technical Assistance Management Facility (TAMF) and wishes to draw on UNDP's experience with the National Technical Cooperation Assessment Programme (NATCAP) in formulating a national technical cooperation policy framework document; reviewing the operation of a technical cooperation fund; establishing priority systems; strengthening the linkage between the Public Investment Programme and technical cooperation and defining policies and procedures for recruitment of donor-financed consultancies. SPR funding will be sought to implement this programme.

34. The impact of the measures to improve public-sector management in terms of increased national efforts to promote development by concentrating on resource allocation and management capacity, will be measured both quantitatively and qualitatively. Quantitatively, impact will be assessed on the basis of achievement of public investment targets set according to the Government's annual budgets; the numbers of projects processed and implemented and the number of staff trained. The qualitative measure will be based on evidence of devolution and effectiveness of decision-making at national and provincial levels and on the degree to which public-sector initiatives will

spur on development initiated by the private sector to the benefit of the majority of the population.

Employment generation and human resource development

35. The Government's underlying objective in structural adjustment reform is to prepare the ground for employment-generation measures, which are more specific. The Government has requested UNDP to organize a comprehensive employment strategy and human resource development mission to examine the constraints arising out of Papua New Guinea's international lack of competitiveness; to review recent trends in the economy with regard to employment, labour absorption and human-resource development; to study the impact and effectiveness of present strategies, policies and programmes and to formulate an integrated employment-promotion strategy in which both short- and long-term issues are addressed. It should be noted that a considerable number of studies already exist in this connection. An important feature of the mission will be its multidisciplinary composition, which will enable it to draw this earlier work together and, on the basis of the broad findings obtained in its study to recommend specific macro- and sectoral-level policies and programmes.

36. Provision is being made in the fifth programme for support of follow-up activities arising from the strategies recommended by the mission. The actions required in this highly complex economic and social area will be wide-ranging and it will be necessary to prioritize components and assign them to different phases for implementation. UNDP cooperation will be used to facilitate this process and to support the generation of employment under the national programme which emerges by providing assistance in the area of overall management and in securing widespread donor support. It is envisaged that by the end of the country programme period, this national programme will be firmly in place and will be beginning to show measurable results in terms of actual jobs in the non-mining sectors. Besides this quantitative performance indicator, it is expected that more clearly articulated policies and linkages between employment policies and other aspects of human resource development will have taken shape.

Participatory development

37. The disadvantages faced by women in Papua New Guinea are well documented. A Women's Division has been established in the Ministry of Home Affairs and Youth, and a women's policy document has been prepared in which the national objectives in this area are enunciated and four broad strategies for their achievement are set forth. Even WID activities which are endorsed at policy level are often treated as marginal in terms of priority and resource allocation. Under a 1988 memorandum of understanding with the Government, UNDP agreed to be the lead agency in mobilizing additional funds and coordinating WID programmes. This role necessitates cooperation with other agencies and programmes, particularly UNIFEM, UNICEF, and UNFPA, and with bilateral donors. During the fourth country programme, UNIFEM played an important role as catalyst and coordinator in the areas of public awareness and training and by conducting research on credit. Under the fifth programme,

UNDP is required to work with other donors in supporting programmes aimed at women and to mainstream WID issues into the public investment programme, the budget and the project cycle.

38. Where non-governmental organizations are concerned, it is the Government's policy to use to the fullest the capacity of NGOs to work towards human-development objectives, particularly at the village and community levels. It is concerned that the delivery of its services should be assisted and expanded by delivery systems managed by NGOs. The Government recognizes the benefits to be had by drawing on the NGO programme, not only in terms of mobilizing supplementary resources but also because NGO actions may be more flexible and practical than direct Government intervention. At the request of the Government, UNDP commissioned a study, which found there was a need to enhance coordination among NGOs, strengthen the relationship between government and NGOs, and to improve the linkages between NGOs and their external counterparts. UNDP is requested to initiate and coordinate donor activities targeted at NGOs in the areas of literacy and education, village-based environment and conservation activities and community-based income-generating activities.

39. Micro-enterprise promotion. Government private-sector strategies emphasize the role of small and medium business activities in diversifying sources of income and increasing the absorption of labour by production. UNDP contributions to this objective are sought through several programmes, including the employment mission, and through WID and NGO activities. One project uses the United Nations Volunteers programme to promote micro-enterprise, which provides savings promotion, investment advice, a group-based approach to credit and business guidance.

40. The participatory development programmes will be formulated and implemented with close operational linkages to the Pacific Subregional Programme in these areas, especially the equitable and sustainable human development programme. Model schemes in remote community development in other island countries will be replicated with adaptations in Papua New Guinea, which will in turn offer its WID and NGO experience and expertise to other countries on a TCDC basis. The country programme aims to initiate and support a number of community-based participatory development programmes through the enlistment of NGOs. Whenever suitable, United Nations Volunteers and UNV Domestic Development Service field workers will be resorted to as change agents. At the same time, policy measures in support of the implementation of community, WID and grass-roots development schemes will be in place.

Environmental and natural resource management

41. The Government's objective in respect of the environment and conservation is to ensure that natural and physical resources are managed in such a way as to sustain and enhance environmental quality and human well-being. In keeping with this objective, in 1991 the Government adopted a new forestry act providing a firm legislative framework for the implementation of the National Forestry and Conservation Action Plan (NFCAP). UNDP has been providing technical cooperation aimed at improved national management of the Plan.

Continued support is necessary to assist the national capacity in planning, formulation of strategies, coordination and management. Papua New Guinea's experience should benefit other Pacific countries and will be disseminated through the subregional Forestry Programme.

42. An outgrowth of the forestry and conservation plan is the effort to establish an Integrated Conservation and Development (ICAD) areas programme with assistance under the Global Environment Facility (GEF). ICAD aims to conserve biological diversity through an integrated approach combining conservation activities with economic and social development projects entailing the full participation of local communities and landowners. It is hoped that pilot-area activities implemented by the project will stimulate other donor support for future ICADs. A sum of $5 million from the GEF will be earmarked for the ICAD programme during the five-year period and will also be used to cover important national capacity-building initiatives. Close contacts will be maintained with the Pacific Subregional GEF programme for biodiversity conservation and sustainable development. Experiences and lessons will be exchanged for mutual benefit.

43. The country programme includes attention follow-up on the United Nations Conference on Environment and Development. UNDP's contribution may take the form of assistance to the Government to translate UNCED Agenda 21 into a plan which is relevant to national needs and includes comprehensive attention to capacity-building. Cooperation could also be provided in support of the mobilization of resources for the national programme.

44. In forestry, the principal indicator of success would be the movement from the present planning and design stage to fully operational strategies within the framework of the National Forestry and Conservation Action Plan. Similarly, with regard to the ICAD effort, its impact will be measurable by assessment of the progress made towards the protection of biodiversity according to the ICAD approach. By the end of the period, there will be in place a comprehensive national plan for the implementation of Agenda 21.

C. Assistance outside main programme areas

45. The country programme provides for UNDP assistance to the national HIV/AIDS Programme in order to promote a multisectoral and multi-departmental approach to addressing the economic and social implications of the pandemic. In this area and others, linkages between the country programme and the Asia and Pacific inter-country programme will be actively developed. The Government has utilized UNDP/UNDRO/WHO assistance in carrying out a needs assessment in a recent natural disaster and will keep in mind the potential and capacity of the United Nations system in the field of emergency relief and humanitarian activities.

D. Implementation and management

46. The success of the fifth programme will depend to a significant degree on efficient management, including careful consideration of adopting the programme approach. The past problem of managing a diffuse range of projects will need even greater attention with the change in the country programme support to a specific government programme. Particularly in the area of strengthening public-sector management to achieve structural adjustment, there will be inputs from many different agencies. The programme approach will help to maximize the effectiveness of these inputs.

47. In the national execution of the programme, the Government will continue to make use of the technical capacities of United Nations agencies in order to ensure the technical quality of projects. National execution is intrinsic to the capacity-building activities included under both areas of concentration of the fifth programme, which lay strong emphasis on public-sector management capacity-building. National execution will be given special attention in the proposed NATCAP activity to improve the mobilization and implementation of technical resources. In project formulation, the scope for national execution, in conjunction with programme approach, will always be assessed.

48. Cost-sharing will remain an essential feature of the programme, representing well over half of its input, and efforts will be made to expand this modality. The Government is drawing on the Special Programme Resources and TSS1 for technical assistance, particularly in public-sector management. Working with the UNDP office in Port Moresby, it will make a systematic examination of the scope for further use of these resources in catalytic and innovative situations appropriate to UNDP's comparative advantage. The continued scope for UNVs, in similar situations, will also be kept under close review.

49. It is intended that United Nations Volunteers should continue to be used extensively under the fifth programme. A major area of placement is at the country's two main institutes of higher learning, where they are available to enable local academic and administrative staff to undertake in-service or higher studies overseas. These programmes are fully funded by the Government, which indicates its recognition of the value of UNVs. Volunteers have also been used in several aspects of public-sector management, as well as in more traditional roles in the health and education sectors. A new and extended programme for Domestic Development Services (DDS) is also being planned for implementation as part of the fifth programme.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	(Thousands of dollars)	
Fourth cycle IPF balance a/	(1 736)	
Fifth cycle IPF	10 481	
1992 expenditure	(1 525)	
IPF subtotal		7 220
Government cost-sharing	17 709	
Third-party cost-sharing	910	
Programming cost-sharing	-	
Subtotal for cost-sharing		18 619
TOTAL		25 839

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

	Thousands of dollars			
Area of concentration	IPF	Cost-sharing	Total	Percentage of total
Structural adjustment, employment generation and participatory development	5 098	17 419	22 517	87
Environmental and natural resource management	697	1 200	1 897	7
Assistance outside the main country programme areas	150	-	150	1
Subtotal	5 945	18 619	24 564	95
Unprogrammed reserve	1 275		1 275	5
TOTAL	7 220	18 619	25 839	100

III. ADDITIONAL ASSISTANCE FROM OTHER SOURCES

		(Thousands of dollars)
A. Funds administered by UNDP		
Special Programme Resources	120	
UNIFEM	300	
TSS-1*	266	
Subtotal		686
B. Additional United Nations resources		
Agencies in Joint Consultative Group on Policy		
UNFPA	5 500	
UNICEF	7 500	
FAO	98	
WHO	-	
IFAD	6 000	
United Nations agencies not financed by UNDP	-	
Global Environmental Facility	5 145	
Subtotal		24 243
Total non-core and other United Nations resources		24 929
C. Additional non-United Nations resources b/		4 536
TOTAL		29 465

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* Three TSS-1 proposals approved for the biennium 1992-1993. Further approvals are likely for the subsequent years.

a/ Including 1992 commitments.

b/ Financing from Management Services Agreements (MSA).

Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. Structural adjustment, employment generation and participatory development						
Public sector management						
- Implementation of the structural adjustment programme	*		*		*	*
- Management of technical assistance			*			
Employment generation and human resource development						
- Comprehensive employment strategy	*					*
- Women in development	*			*		*
- NGO support	*			*		*
- Micro-enterprise promotion	*			*		*
II. Environmental and natural resource management						
National forestry and conservation action plan, including GEF-financed integrated conservation and development areas programme	*	*				
UNCED follow-up		*				*
III. Cooperation not intended for subject areas listed	*					*

a/ Asterisks indicate major linkage only.